

CANADA WHEAT BOARD



SUMMARY OF OPERATIONS

of the

CANADIAN WHEAT BOARD

1935-36 to 1947-48



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Foreword

This Summary of Operations of the Canadian Wheat Board has been compiled by D. W. Richmond, Secretary of Manitoba Pool Elevators, from the reports which have been issued by the Wheat Board.

Our purpose in publishing the information in this form is to make it available in an easy and accessible way. With the passing of time, it is surprising how many details we forget; and how quickly facts lose sharpness of definition. It is hoped that this terse summary may serve to refresh our memories; and keep significant facts clearly before us. It is also hoped that this summary will be handy as a 'ready reference'; and that it will prove particularly useful to elevator agents, and others, who have close contact with the producer.

CANADIAN CO-OPERATIVE
WHEAT PRODUCERS, LTD.

J. H. WESSON
W. J. PARKER
BEN S. PLUMER

Executive Committee.

Winnipeg, Canada,
July, 1949.

Volume of Wheat Marketed in Western Division

Note: For years 1935-6 to 1939-40 (inclusive), the figures below include only country elevator receipts and platform loadings.

For years 1940-1 to 1942-3 (inclusive), the figures include total primary receipts, i.e. country elevator receipts, platform loadings, receipts at exterior public and semi-public terminals and interior private and mill elevators; and grain trucked from farms to U.S.A. Since September 27, 1943, all wheat marketed has been delivered to the Board.

Year	Total Bushels Marketed	Bushels Delivered to the Board
1935-36	214,341,578	150,700,000
1936-37	163,456,671	nil
1937-38	124,573,988	nil
1938-39	289,447,006	292,360,030
1939-40	425,491,159	342,389,159
1940-41	456,660,058	395,357,522
1941-42	227,121,473	99,540,491
1942-43	267,340,161	167,505,292
1943-44	329,322,220	293,375,116
1944-45		352,396,905
1945-46		235,432,183
1946-47		335,158,698
1947-48		243,941,365

Wheat Board Payments

On deliveries made prior to the 1940 crop, there were no funds available for distribution; consequently, the certificates issued in those years are of no value.

For the crop years 1940, 1941, 1942, 1943 and 1944, the certificates have been called in by the Canadian Wheat Board and final payment has been made on all certificates which have been surrendered, basis the grades—as follows:

Year	Initial Payment \$ per bus.	Participating Payment \$ per bus.	Total \$ per bus.
1935-36	0.875		0.875
1936-37	0.875	(No deliveries to Wheat Board)	0.875
1937-38	0.875	(No deliveries to Wheat Board)	0.875
1938-39	0.80		0.80
1939-40	0.70		0.70
1940-41	0.70	0.06215	0.76215
1941-42	0.70	0.15336	0.85336
1942-43	0.90	0.12502	1.02502
1943-44	*1.25	0.12146	1.37146
1944-45	1.25	**0.18677	1.43677

Five-year Pool		Nov. 26/46	Apr. 1/48	Apr. 1/49
1945-46		0.10	0.20	0.20
1946-47 (Spring)	1.35		0.20	0.20
(Durum)	1.45			
1947-48	Aug. 1/47 to Mar. 31/48 1.35	(1st basis)	0.20	0.20
	Apr. 1/48 to July 31/48 1.55	(2nd basis)		0.20
1948-49	Aug. 1/48 to Mar. 31/49 1.55	(1st basis)		0.20
	Apr. 1/49 to July 31/49 1.75	(2nd basis)		
1949-50				

*Changed from \$0.90 to \$1.25 on 27 September, 1943.

**Participating payment was \$0.18677 for top four grades and sub-grades; but for No. 5 and lower, the payment was \$0.020677 per bushel.

CANADIAN WHEAT BOARD

Wheat Operations—1935-48

1935 Crop

The Canadian Wheat Board Act assented to July 5th, 1935. Fixed minimum price 87 1/2c per bushel basis No. 1 Northern in store Fort William/Port Arthur under an optional marketing plan.

The open market price was slightly below the minimum for about eight months. The lowest level was reached May 26th at 73 5/8c, then on July 3rd it again went above 87 1/2c and remained above for the remainder of the year, closing on July 31st, at \$1.03 3/8.

Due to the surplus held by the Board and subsequently when the final accounting on the 1935 crop was made, the loss on Board operations was fixed at \$11,858,104.18.

The participation certificates distributed to the producer were valueless.

1936 Crop

Board price fixed at 87 1/2c per bushel for No. 1 Northern at Fort William/Port Arthur or Vancouver, effective only if the closing market price for No. 1 Northern in store Fort William fell below 90c.

During the 1936 crop year the closing price for No. 1 Northern did not fall below 90c; therefore the Wheat Board did not accept wheat of the 1936 crop.

Wheat holdings of the Canadian Co-operative Wheat Producers Limited were disposed of at a net profit of \$9,628,881.31.

In April 1936 the 1930 Wheat Crop Equalization Payment Act was passed by the Dominion Parliament. This Act provided \$6,521,026.16 to allow the Provincial Pools to equalize payments to their members at 60c per bushel basis No. 1 Northern at Fort William/Port Arthur on 1930-31 wheat deliveries.

The Board incurred a loss of \$49,574.88 on sales and incidentals.

1937 Crop

Board price fixed at 87 1/2c per bushel for No. 1 Northern Wheat at Fort William/Port Arthur or Vancouver, effective only if the closing price of No. 1 Northern in store Fort William fell below 90c.

The open market stayed above this level, so that the Board did not receive deliveries for the 1937 crop.

Shortest crop since 1914.

1938 Crop

Mr. Justice Turgeon reported to the Government on May 4th, as follows:

"For all these reasons (and notwithstanding the adverse considerations to which I have referred in relation to Government Boards) I do not feel that I can suggest the immediate dissolution of the Canadian Wheat Board. There is a strong possibility that conditions may develop which will require a measure of assistance in the marketing of the coming crop, and I do not know, of course, how long these conditions may continue after the final chapter of this report is written. In the meantime I can think of nothing better to suggest than that the Board be maintained to meet any situation which may arise."

August 4th—minimum price fixed at 80c per bushel basis No. 1 Northern in store Fort William/Port Arthur.

Loss on Board's operations for the 1938 crop \$61,525,691.19.

A year of surpluses and political uncertainty.

1938 crop Producer's Certificates were of no value.

1939 Crop

Changes in Wheat Board Act came into force August 1st, 1939, limiting deliveries to 5,000 bushels from any one producer.

Initial price 70c per bushel basis No. 1 Northern in store Fort William/Port Arthur or Vancouver.

War broke out September 3rd.

On May 18th, 1940, trading was forbidden below the closing price of futures on May 17th, namely: May 70 3/8; July 71 3/8; October 73 5/8.

Previous legislation, whereby the Governor-in-Council could approve of the extension of the provisions of the Act to Oats, Barley, Rye or Flax, was repealed.

In 1939, 26,756,500 acres were seeded to wheat. Yield 520,623,000 bushels, or approximately 160,000,000 bushels more than the previous year.

Loss on operations of Board, 1939 crop, was \$8,226,850.19. 1939 crop Producer's Certificates were of no value.

1940 Crop

Fixed initial price 70c per bushel basis No. 1 Northern in store Fort William/Port Arthur or Vancouver.

Change in Wheat Board Act, August 7th, 1940:

Advisory Board of eleven appointed.

The 5,000 bushel limitation on deliveries was removed. Board to sell "continuously" deleted (due to war conditions).

Farm storage payments instituted. Result: \$6,147,457.89 paid to producers.

Quotas established—5 bushels per authorized acre, raised to 8—10—12—15 and 20, and finally "open" April 21st, 1941.

Annexes were built at congested points; and this greatly assisted the operation of the quotas by providing 97 million bushels additional storage space.

The Board's operations showed a surplus and a final payment was later made on Producer's Certificates on the 1940 crop year, basis the grade.

Surplus payable to the producers on the 1940 crop, as at July 31st, 1944, \$26,081,800.16.

Payment authorized May 12, 1944.

1941 Crop

The statutory Fixed Initial Price of 70c per bushel basis No. 1 Northern in store Fort William /Port Arthur or Vancouver.

Growing carryovers: as at July 31st, 1941—480,000,000 bushels.

Wheat Acreage Reduction Act—1941. Bonuses paid for wheat reduction in 1941 as compared with 1940.

"Authorized Acreage" for delivery purposes established for each producer, basis 65% of his declared acreage for 1940.

Delivery Quotas and Permit Books were in effect.

Quotas established August 1st—5 bushels per authorized acre. On December 4th all points were on "open" quota basis.

Farm storage was on the same basis as the previous year.
Result—\$648,637.37 paid to producers.

The Board operation for the 1941 crop later showed a surplus and a final payment was made on Producer's Certificates basis the grade.

Surplus payable to producers on the 1941 crop, as at July 31st, 1944—\$15,305,476.69.

Payment authorized September 1, 1944.

1942 Crop

The fixed initial price increased to 90c per bushel basis No. 1 Northern in store Fort William /Port Arthur or Vancouver.

Marketing of wheat limited to 280,000,000 bushels.

Quota of 5 bushels per authorized acre. Where local storage permitted, some increases in wheat quotas were made during August and September. Later quotas were expanded as the space became available. On May 17th the Board announced that the final delivery quota would be 15 bushels per authorized acre.

The Board's operations of the 1942 crop later showed a surplus and a final payment was made on Producer's Certificates basis the grade.

Surplus payable to producers on the 1942 crop, as at July 31st, 1944, \$19,692,770.12.

Payment authorized September 1, 1944.

1943 Crop

Fixed initial price 90c per bushel basis No. 1 Northern at Fort William/Port Arthur or Vancouver.

On September 27th, 1943, the Dominion Government announced:

The discontinuance of trading in wheat futures.

Raising the fixed initial price to \$1.25.

Program effective until July 31st, 1945.

Quota of 3 bushels per authorized acre established August 16th and increased as conditions improved.

Deliveries limited to 14 bushels per authorized acre; later extended to 18 bushels, and finally removed June 1st, 1944.

The Board's operations of the 1943 crop later showed a surplus and a final payment was made on Producer's Certificates basis the grade.

Surplus payable to producers on the 1943 crop, as at July 31st, 1944, \$36,725,167.12.

Payment authorized September 10, 1946.

1944 Crop

Fixed initial price \$1.25 per bushel basis No. 1 Northern in store Fort William/Port Arthur or Vancouver.

No limitation on deliveries.

The Board followed the policy of opening up the delivery quotas as rapidly as space became available at country points.

Delivery quotas removed May 4th, 1945.

The Board's operations showed a surplus and final payment was made on Producer's Certificates for the crop year 1944 basis the grade.

Surplus payable to producers on 1944 crop, as at July 31st, 1944, \$66,019,001.69.

Payment authorized September 2, 1947.

1945 Crop

Fixed initial price \$1.25 per bushel basis No. 1 Northern in store Fort William/Port Arthur or Vancouver.

Considerable country elevator space was available at the start of the 1945 crop season; and with the rapid movement of wheat to seaboard it was possible to increase the established 5 bushel per authorized acre in accordance with the space as it became available.

On October 4th the 14 bushel limitation on marketing was removed; and the following day the Board announced open delivery quotas.

In March, 1946, the Dominion Government announced an income tax arrangement on wheat marketed between April 1st, 1946, and June 30th, 1946. Upon acceptance of the Emergency Wheat Receipt the producers elected to take payment at any time up to December 31st, 1948.

On July 25th, 1946, the United Kingdom wheat contract was announced.

The fixed initial price was raised to \$1.35 per bushel. 10c per bushel adjustment to be made on all 1945 crop deliveries to the Board.

Any remaining surplus for the 1945 crop was to be placed in a five year pool with the proceeds of the 1946-1947-1948 and 1949 crop accounts. Participation Certificates were to be issued in the usual way, but payments on participation certificates were to be made out of any surplus in the five year pool at the terminal date, July 31st, 1950.

1946 Crop

Fixed initial price \$1.35 per bushel basis No. 1 Northern in store Fort William/Port Arthur or Vancouver.

Wheat quota of 10 bushels per authorized acre increased rapidly as storage space became available. On November 20th "open" quotas were established.

May 13th, 1947, the Dominion Government again provided for the issuance of Emergency Wheat Receipts on substantially the same basis as in the previous year. Producers could take settlement for their E.W.R. at any time up to and including December 31st, 1949.

The five year pool had a surplus, as at July 31st, 1947, of \$158,217,367.17.

1947 Crop

The initial price \$1.35 per bushel basis No. 1 Northern in store Fort William/Port Arthur or Vancouver continued in effect from August 1st, 1947 to March 31st, 1948. It was then increased on April 1st, 1948, to \$1.55; adjustment of 20c per bushel made on all deliveries by producers to the Board between August 1st, 1945, and March 31st, 1948.

Quotas now based on the actual seeded acreage instead of the authorized acreage which had been in effect since August 1st, 1941.

On August 21st a quota of 10 bushels per seeded acre was established. On October 14th an open quota was announced. The five year pool showed, at July 31st, 1948, a surplus of \$77,090,896.14.

1948 Crop

The initial price of \$1.55 per bushel basis No. 1 Northern in store Fort William/Port Arthur or Vancouver continued in effect until March 31st, 1949. It was then raised to \$1.75.

An additional payment of 20c per bushel was announced by the Government on all deliveries by producers to the Board from August 1st, 1945 to March 31st, 1949, bringing the initial price up to \$1.75, effective April 1st, 1949.

The 20c adjustment payment goes to producers commencing March 31st, 1949, in two parts; the first part, on certificates issued from August 1st, 1945 to March 31st, 1948; the second part, on certificates issued from April 1st, 1948 to March 31st, 1949.

PRICE POLICY FOR DOMESTIC WHEAT

Prior to September 27th, 1943, the Canadian Wheat Board sold all wheat (domestic and export) at market prices.

On September 27th, 1943, with the closing of the futures market on the Winnipeg Grain Exchange, the Dominion Government acquired about 300,000,000 bushels, consisting of unsold stocks of wheat in Canada and the balance in the Board's 1940-41, 1941-42 and 1942-43 Crop Accounts. These stocks, plus subsequent acquisitions, became known as 'Crown Wheat' and were used for Mutual Aid and for the domestic market up to February 28th, 1945.

From Mar. 1st, 1945, to Feb. 17th, 1947, domestic wheat was supplied at.	\$1.25
	plus carrying charges.
From Feb. 18th, 1947, to July 31st, 1948, domestic wheat was supplied at	1.55
	plus carrying charges.
From Aug. 1st, 1948, to July 31st, 1949, domestic wheat will be supplied at	2.00
	plus carrying charges.
For 1949-50 domestic wheat will be supplied at	2.00
	plus carrying charges.

Year	Price to Domestic Mills	Price to United Kingdom	Average price Class II
1943-44	1.25	1.25	1.41 5/8
1944-45	1.25	1.25	1.47 7/8
1945-46	1.25	1.25	1.55
1946-47	1.25	1.55	2.43
	1.55 Feb. 17th, 1947		
1947-48	1.55	1.55	2.88
1948-49	2.00	2.00	*2.33

*August/April average

From the time 'Crown Wheat' stocks were exhausted (February 28th, 1945) the Dominion Government required the Canadian Wheat Board to supply wheat for the domestic market at \$1.25. This price continued until February 17th, 1947, when the price of domestic wheat was raised to \$1.55, plus carrying charges; the price established under the Canada-United Kingdom Wheat Agreement which became effective August 1st, 1946.

On September 19th, 1945, the Dominion Government required that wheat was to be offered for export to any and all countries at a price not exceeding \$1.55 per bushel, basis No. 1 Northern. This policy was changed when the Canada United Kingdom Agreement became effective (August 1st, 1946). Wheat to countries other than the United Kingdom was supplied at Class II prices.

CONSUMERS' SUBSIDIES

From August 1st, 1942 to September 15th, 1947, the Dominion Government, by subsidy from public funds, reduced the price of wheat to mills and other users to 77 3/8c per bushel. This price was established on the basis of the average price for No. 1 Northern for a limited time in the fall of 1941.

From August 1st, 1948 to March 22nd, 1949, the price of wheat to mills was 1.58 1/2 per bushel.

Consumer subsidies were part of the Dominion Government price control policy and were designed to keep down the 'cost of living.'

The Canadian Wheat Board acted as administrator of ceiling prices of whole grain for the Wartime Prices & Trade Board.

The last Annual Report of the Canadian Wheat Board shows that the Dominion Government, up to July 31st, 1948, had provided \$98,703,810.14 to mills and other domestic users.